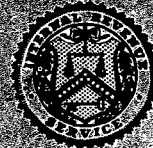


INDUSTRY CIRCULAR

OFFICE OF THE COMMISSIONER OF INTERNAL REVENUE
ALCOHOL AND TOBACCO TAX DIVISION



WASHINGTON 25, D. C.

Industry Circular No. 60-2

February 18, 1960


ROUNDING OFF FRACTIONS OF POUNDS OF MANUFACTURED TOBACCO

Manufacturers of tobacco:

Purpose. The purpose of this industry circular is to advise you of a recent ruling by this office concerning rounding off fractions of pounds of manufactured tobacco, in the maintenance of records and in the preparation of semimonthly tax returns.

Substance of Ruling. Fractions of pounds may be rounded off to the nearest pound in the recording, required by 26 CFR 296.118, of daily totals of manufactured tobacco removed subject to tax, and in reporting such removals in Section III of the semimonthly tax return. However, the daily totals must be determined before fractions of pounds can be rounded off, following the accepted formula of disregarding fractions of less than one-half pound and increasing fractions of one-half pound or more to the next whole pound.

Inquiries. Inquiries in regard to this industry circular should refer to its number and be addressed to the office of your assistant regional commissioner (alcohol and tobacco tax).


Dwight E. Avis
Director, Alcohol and Tobacco Tax Division